Financial Statement
1998-99

Cypress Hills
Regional College

100-03962/

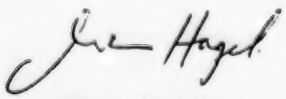
Letter of Transmittal

The Honourable J. Wiebe
Lieutenant Governor
Province of Saskatchewan

Sir:

I have the honour to submit for your consideration the Financial Statements of the Cypress Hills Regional College for the year ending June 30, 1999.

Respectfully submitted:



Glenn Hagel
Minister of Post-Secondary Education and Skills Training

STARK
&
MARSH
CHARTERED
ACCOUNTANTS

E.L. Blenner-Hassett CA
R.G. Budd CA CFP
K.A. Hagen CA CFP
A.D. Kiesman CA CFP
G.F. Knakoske CA CFP
R.J. Marsh CA
G.D. Rittinger FCA CFP
R.D. Siemens CA
G.D. Smith CA CFP
G.J. Trembath CA
B.W. Wiebe CA CFP

CYPRESS HILLS REGIONAL COLLEGE

FINANCIAL STATEMENTS

JUNE 30, 1999

AUDITOR'S REPORT

To the Board of the Cypress Hills Regional College

We have audited the balance sheet of the Cypress Hills Regional College as at June 30, 1999 and the statements of operations and changes in fund balances and cash flows for the year then ended. The college is responsible for preparing these financial statements for Treasury Board's approval. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion these financial statements present fairly, in all material respects, the financial position of the college as at June 30, 1999 and the results of its operations and cash flows for the year then ended in accordance with generally accepted accounting principles.

Stark & Marsh

Chartered Accountants

Swift Current, Saskatchewan
August 25, 1999

145 - 1st Avenue N.E., P.O. Box 128, Swift Current, Saskatchewan S9H 3V5
Telephone: (306) 773-7285 Facsimile: (306) 773-0837 Email: stark.marsh@sk.sympatico.ca

CYPRESS HILLS REGIONAL COLLEGE

BALANCE SHEET
As at June 30, 1999

Statement 1

ASSETS

	1999 Operating fund	1999 Capital fund	1999 Total	1998 Total
Current				
Cash and temporary investments	$ 659,274	-	659,274	$ 629,751
Accounts receivable - Note 3	103,457	-	103,457	150,105
Inventories	12,989	-	12,989	14,059
Prepaid expenses	8,531	-	8,531	3,178
Other	150	-	150	150
	-	-	784,401	797,243
Capital - Note 4	-	938,669	938,669	673,927
	$ 784,401	938,669	1,723,070	$ 1,471,170

LIABILITIES AND FUND BALANCES

Current				
Accounts payable	$ 43,649	-	43,649	$ 109,049
Accrued salaries and vacation payable	62,737	-	62,737	40,897
Deferred revenues - Note 5	333,949	-	333,949	276,227
Tuition fee deposits	5,540	-	5,540	2,148
	445,875	-	445,875	428,321
Fund balances - Statement 3				
Invested in capital assets	-	938,669	938,669	673,927
Internally restricted as reserves	24,400	-	24,400	24,400
Unrestricted	314,126	-	314,126	344,522
	338,526	938,669	1,277,195	1,042,849
	$ 784,401	938,669	1,723,070	$ 1,471,170

Approved by the Board of Trustees

_____ Director

_____ Director

See accompanying notes to financial statements

CYPRESS HILLS REGIONAL COLLEGE

STATEMENT OF OPERATIONS
For the year ended June 30, 1999

Statement 2

	Operating			Capital		Total	
	Budget (Note 13)	1999	1998	1999	1998	1999	1998
Revenues - Schedule 1							
Saskatchewan Post-Secondary Education and Skills Training	$ 2,321,195	2,317,268	1,988,922	242,981	68,689	2,560,249	2,057,611
Federal government	89,177	141,544	207,955	-	-	141,544	207,955
Other revenues	535,520	697,902	631,275	19,500	-	717,402	631,275
	2,945,892	3,156,714	2,828,152	262,481	68,689	3,419,195	2,896,841
Expenses - Schedule 2							
Contractual and professional fees	794,004	658,837	668,191	-	-	658,837	668,191
Rentals	64,892	82,616	73,100	-	-	82,616	73,100
Repairs and maintenance	21,770	54,355	26,281	-	-	54,355	26,281
Amortization	-	-	-	139,894	114,229	139,894	114,229
Operating expenses - Schedule 3	482,172	428,072	498,262	-	-	428,072	498,262
Personal services	1,536,922	1,821,075	1,434,869	-	-	1,821,075	1,434,869
	2,899,760	3,044,955	2,700,703	139,894	114,229	3,184,849	2,814,932
Excess (deficiency) of revenue over expenses	$ 46,132	111,759	127,449	122,587	(45,540)	234,346	81,909

See accompanying notes to financial statements

STARK & MARSH

CYPRESS HILLS REGIONAL COLLEGE

STATEMENT OF CHANGES IN FUND BALANCES
For the year ended June 30, 1999

Statement 3

	Invested in capital assets	Internally restricted assets	Unrestricted	1999 Total	1998 Total
Balance, beginning of year	$ 673,927	24,400	344,522	1,042,849	$ 960,940
Excess (deficiency) of revenue over expenses	122,587	-	111,759	234,346	81,909
Investments in capital assets - Note 11	142,155	-	(142,155)	-	-
Balance, end of year	$ 938,669	24,400	314,126	1,277,195	$ 1,042,849

See accompanying notes to financial statements

STARK & MARSH

CYPRESS HILLS REGIONAL COLLEGE

STATEMENT OF CASH FLOWS
For the year ended June 30, 1999

Statement 4

	1999	1998
Cash from operating activities		
Excess of revenue over expenses	$ 234,346	$ 81,909
Charges to operations not affecting cash		
Amortization	139,894	114,229
Net change in non-cash working capital	59,919	167,286
	434,159	363,424
Investing activities		
Additions to capital assets	(404,636)	(160,705)
Increase in cash during year	29,523	202,719
Cash and investments, beginning of year	629,751	427,032
Cash and investments, end of year	$ 659,274	$ 629,751

See accompanying notes to financial statements

CYPRESS HILLS REGIONAL COLLEGE

NOTES TO FINANCIAL STATEMENTS
June 30, 1999

1. **Purpose and authority**
The Cypress Hills Regional College offers educational services and programs under the authority of Section 14 of *The Regional Colleges Act.*

The Board of the Cypress Hills Regional College is responsible for administering and managing the educational affairs of the College in accordance with the intent of *The Regional Colleges Act* and its regulations.

2. **Significant accounting policies**
These financial statements have been prepared in accordance with generally accepted accounting principles and include the following significant policies:

(a) Fund accounting
The accounts of the College are maintained in accordance with the principles of fund accounting. For financial reporting purposes, accounts with similar characteristics have been combined into the following major funds:

(i) Operating fund
The operating fund consists of those revenues and expenses relating to the general operations of the College.

(ii) Capital fund
The capital fund reflects the equity of the College in capital assets after taking into consideration any associated long-term debt. The capital fund consists of transfers and donations designated for capital purposes by the contributor, net of the annual amortization expense.

(b) Revenue recognition
The College follows the restricted fund method of accounting for grants. Restricted transfers related to general operations are recognized as revenue of the operating fund in the year in which the related expenses are incurred. Transfers restricted for capital assets are recognized as revenue of the capital fund when received or receivable.

Unrestricted operating transfers are recognized as revenue of the operating fund when received or receivable. Tuition and fee revenue is recognized as the course instruction is delivered. Revenue from contractual services is recognized as the service is delivered.

(c) Capital assets
Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date on contribution. Amortization is charged on a straight-line basis over the estimated useful lives of the assets at the following rates, and is reported as an expense in the capital fund:

Land	0%
Buildings	5%
Furniture and equipment	10% to 33%

(d) Inventories
Inventories are recorded at the lower of cost and net realizable value.

(e) Investments
Investments are recorded at the lower of cost and market value.

3. Accounts receivable

The accounts receivable as at June 30 were comprised as follows:

	1999	1998
Saskatchewan Post-Secondary Education and Skills Training	$ 32,071	$ 65,956
Federal government	13,336	21,759
Other	58,050	62,390
	$ 103,457	$ 150,105

4. Capital assets

	1999			1998
	Original cost	Accumulated amortization	Net book value	Net book value
Land	$ 50,000	-	50,000	$ 35,000
Pavement	29,756	5,951	23,805	-
Buildings	1,033,421	273,181	760,240	501,405
Furniture and equipment	571,440	466,816	104,624	137,522
	$ 1,684,617	745,948	938,669	$ 673,927

5. Deferred revenue

Deferred revenue consists of transfers received to carry out specific activities in excess of the expenses incurred on those activities at the end of the fiscal year as follows:

	1999	1998
Federal government	$ 6,340	$ 63,820
Saskatchewan Post-Secondary Education and Skills Training	325,109	209,907
Other	2,500	2,500
	$ 333,949	$ 276,227

6. Related party transactions

These financial statements include transactions with related parties. The College is related to all Saskatchewan Crown agencies such as departments, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the College is related to non-Crown enterprises that the Government jointly controls or significantly influences.

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms. These transactions, and amounts outstanding at year end, are as follows:

The College brokerages course programs from SIAST. The amount incurred during the year amounted to $413,244 (1998 - $375,479).

The College purchased telephone and utilities services from Saskatchewan Crown Corporations in the amount of $76,277 (1998 - $71,308).

The College offers courses through the University of Regina. The amount paid to the university was $89,408 (1998 - $127,947).

6. Related party transactions (continued)

The College holds two Saskatchewan Savings Bonds:
- face value of $100,000, maturing July 15, 1999, interest rate 8%
- face value of $8,000, maturing July 15, 2000, interest rate 6.75%

The College paid $20,144 (1998 - $28,156) to Saskatchewan Property Management Corporation for vehicle leases and mail services.

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and the notes thereto.

7. Pensions

Employees of the college participate in one of two pension plans. Teachers and other employees holding a teaching certificate participate in a defined benefit plan, the Teachers' Superannuation Plan (TSP) which is administered by the Teachers' Superannuation Commission. The college has no financial obligation to TSP. Eligible employees contribute to TSP for their current service. No matching contribution is made by the Board. The General Revenue Fund is responsible for the financial obligations of the TSP.

All other employees participate through Municipal Employees' Pension Plan (MEPP) which is also a multi-employer defined benefit plan. The last actuarial valuation of the MEPP indicated there was a surplus in the plan. The college's financial obligation to the MEPP is limited to making required payments to match amounts contributed by employees for current services. Pension expense for the year amounted to $44,319 ($40,340 for 1998).

8. Commitments

(a) The College has made commitments to purchase capital equipment costing approximately $5,000.

(b) The College is obligated under the following lease agreements:

(i) Gravelbourg Learning Centre: A two-year agreement, entered into with the Gravelbourg School Division #109 effective from July 1, 1999 specifies a rental of $7,296 per year.

(ii) Shaunavon Learning Centre: A one-year agreement continuing thereafter on a year to year basis, entered int ith the Shaunavon School Division #71 effective August 1, 1994 specifies a rental of $4,800 per year.

9. Line of credit

The College has obtained approval to establish a line of credit of $250,000 at Southwest Credit Union Ltd. with interest at a rate of prime less 1/4% secured by an assignment of government grants, program payments and other revenue. The College did not utilize this line of credit during 1998-99.

10. Financial instruments

(a) The carrying amount of cash temporary investments, accounts receivable, accounts payable and accrued salaries and vacation payable approximates fair value due to the short-term maturity of these instruments. There are no significant terms or conditions related to these financial instruments that may affect the amount, timing or certainty of future cash flows.

10. Financial instruments (continued)

(b) The College is exposed to credit risk from the potential non-payment of accounts receivable. The majority of the College's receivable are from the provincial and federal government, therefore, credit risk is minimal.

11. Interfund transfers

In 1998 - 99 the Board approved a transfer of $142,155 from the Operating Fund to the Capital Fund to be used for capital purchases.

12. Uncertainty due to the Year 2000 Issue

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identity a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. The effects of the Year 2000 Issue may be experienced before, on, or after January 1, 2000, and, if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure which could affect an entity's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 Issue affecting the college, including those related to the efforts of customers, suppliers, or other third parties, will be fully resolved.

13. Budget amounts

The budget was prepared by regional college management with Board approval given on June 22, 1998. Ministerial approval was received December 18, 1998.

14. Provincial training allowance program

During part of the year the College continued an agreement with Saskatchewan Post-Secondary Education and Skills Training (the Department) to pay training allowances for the Department. The Department was responsible for approving all payments made per the agreement. All money received for this program from the Department was property of the Department until the College paid eligible applicants.

Since the money spent on the program is the Department's responsibility, these transactions are not reflected in the College's financial statements.

During the year, the College paid $50,946 in training allowances to eligible applicants.

Cypress Hills Regional College
Statement of Operating Fund Revenues by Function
for the year ended June 30, 1999

Schedule 1

	Administration	Programming				Support Services				
	General Revenue	Community Individual Development	Adult Basic Education	University	Vocational Technical	Student Services	Career Services	June 30,1999 Total	1998/1999 Budget	June 30,1998 Total
Revenues:										
Post-Secondary Education and Skills Training										
Administration	100,107	0	0	0	0	10,000	0	110,107	114,150	50,314
Base Grant	874,463	0	0	0	0	0	71,318	945,781	892,448	711,813
Program Payments	46,680	0	266,067	0	693,147	31,980	0	1,037,874	1,244,597	1,109,039
Outreach Fund	118,606	0	0	50,924	0	0	0	169,530	0	0
Facility Renovations	0	0	0	0	0	0	0	0	0	18,500
Rent	15,000	0	0	0	0	0	0	15,000	0	0
Other	38,976	0	0	0	0	0	0	38,976	70,000	99,256
TOTAL	1,193,832	0	266,067	50,924	693,147	41,980	71,318	2,317,268	2,321,195	1,988,922
FEDERAL GOVERNMENT										
Administrative Recovery	0	0	0	0	0	0	0	0	0	2,513
Program Payments	0	0	98,357	0	36,294	0	0	134,651	65,354	178,979
Other	6,893	0	0	0	0	0	0	6,893	23,823	26,463
TOTAL	6,893	0	98,357	0	36,294	0	0	141,544	89,177	207,955
OTHER										
Administrative Recovery	0	0	0	0	0	0	0	0	0	1,500
Contracts	71,529	0	29,085	15,939	11,532	0	0	128,085	37,408	30,785
Interest and Dividends	37,731	0	0	0	0	0	0	37,731	15,000	27,271
Rents	3,435	0	0	0	0	0	0	3,435	12,000	18,811
Resale Items	5,164	0	31	0	0	0	0	5,195	11,050	13,544
Tuition	0	128,582	25	61,815	234,525	0	0	424,947	415,512	459,961
Other	30,051	783	629	0	10,541	2,419	54,086	98,509	44,550	79,403
TOTAL	147,910	129,365	29,770	77,754	256,598	2,419	54,086	697,902	535,520	631,275
Total Revenue	1,348,635	129,365	394,194	128,678	986,039	44,399	125,404	3,156,714	2,945,892	2,828,152
Total Expense	1,476,869	69,610	384,821	107,322	781,895	78,000	146,438	3,044,955	2,899,760	2,700,703
Excess/<Deficiency> of revenue over expenses	-128,234	59,755	9,373	21,356	204,144	-33,601	-21,034	111,759	46,132	127,449

see accompanying notes to financial statements

STARK & MARSH

Cypress Hills Regional College
Statement of Operating Fund Expenses by Function
for the year ended June 30, 1999

Schedule 2

	General Administration				Programming				Support Services				
	Board	Administration	General Revenue	Organization	Community Individual Development	Adult Basic Education	University	Vocational Technical	Student Services	Career Services	June 30,1999 Total	1998-99 Budget	June 30, 1998 Total
Contractual and Professional Services	738	16,450	0	6,600	49,271	7,053	82,413	494,412	1,550	350	658,837	794,004	668,191
Rentals	41	28,270	0	16,404	2,015	360	0	35,526	0	0	82,616	64,892	73,100
Repairs & Maintenance	0	50,265	0	2,218	390	481	0	1,001	0	0	54,355	21,770	26,281
Operating (Schedule 3)	31,678	198,490	0	79,040	17,922	30,140	24,909	30,781	4,709	10,403	428,072	482,172	498,262
Personal Services	17,945	527,185	0	501,545	12	346,787	0	220,175	71,741	135,685	1,821,075	1,536,922	1,434,869
TOTAL EXPENSE	50,402	820,660	0	605,807	69,610	384,821	107,322	781,895	78,000	146,438	3,044,955	2,899,760	2,700,703

STARK & MARSH

Cypress Hills Regional College
Schedule of Operating Expenses
for the year ended June 30, 1999

	Approved Budget 1998-99	Actual to 30-Jun-99	Actual to 30-Jun-98	Actual to Budget 1998-99 $	Actual to Budget 1998-99 %
Operating Expenses					
Advertising	61,825	49,005	57,112	-12,820	79.26
Association Fees and Dues	9,350	6,173	20,552	-3,177	66.02
Bad Debts	0	0	0	0	0.00
Bank Charges and Interest	50	166	55	116	332.00
Class Allowances	50,530	0	11,012	-50,530	0.00
Computer Software	12,650	18,693	21,338	6,043	147.77
Conference Fees	17,515	20,762	10,248	3,247	118.54
Leasehold Improvements	0	0	0	0	0.00
Minor Equipment Purchases	12,500	10,006	23,546	-2,494	80.05
Insurance	10,300	11,449	10,039	1,149	111.16
Licenses and Taxes	33,107	4,277	41,485	-28,830	12.92
Materials and Supplies	103,725	88,083	112,366	-15,642	84.92
Postage, Freight and Courier	9,850	11,661	10,407	1,811	118.39
Printing and Duplicating	5,000	18,416	1,896	13,416	368.32
Subscriptions	1,550	1,471	998	-79	94.90
Telephone	41,625	47,211	47,242	5,586	113.42
Travel	54,795	82,411	76,571	27,616	150.40
Utilities	57,800	58,288	53,395	488	100.84
Other		0	0	0	0.00
Total	482,172	428,072	498,262	-54,100	88.78

see accompanying notes to financial statements

PUBLIC ACCOUNTS
CYPRESS HILLS REGIONAL COLLEGE
1998-1999

VENDERS PAID OVER $20,000.00

Listed are payees who received $20,000 or more for the provision of goods and services, including office supplies, advertising, contracts, and equipment.

VENDER		AMOUNT
Brandt Tractor Ltd.	$	25,253.00
Frontier Construction	$	97,608.55
K & G Construction	$	118,710.03
MicroAge (Computec)	$	22,150.62
Office Outfitters	$	51,390.22
Palmer Jarvis	$	31,510.15
Receiver General	$	82,645.35
Southeast Regional College	$	35,647.13
Sask Energy/Power	$	24,702.22
Sask Property Management Corp.	$	20,144.38
Sask Tel	$	51,571.54
Municipal Employees Pension Plan	$	44,318.72
SIAST - Kelsey	$	24,830.91
SIAST - Palliser	$	175,306.71
SIAST - Wascana	$	83,203.41
SIAST - Woodlands	$	129,903.23
Swift Litho Printing	$	40,791.26
University of Regina	$	89,407.95
Murray Walter	$	75,840.18
William F. White Limited	$	25,413.89
Other	$	713,332.05

PUBLIC ACCOUNTS
CYPRESS HILLS REGIONAL COLLEGE
1998-1999

SALARIES OVER $2500.00

Listed are individuals who received payment for salaries, wages, honorariums, etc., which total $2500 or more.

NAME	TOTAL SALARY
BOUTWELL, DAWN	$ 21,498.73
NELSON JUDY	$ 9,461.82
CLARKE NEIL	$ 79,399.06
MOLYNEUX DIANA	$ 43,801.27
GORDON ELIZABETH	$ 54,921.90
GOVE TERRY	$ 66,002.08
MELHOFF CLAIRE	$ 63,821.07
ROBINSON SHARON	$ 32,218.37
DRINNAN LORI	$ 3,814.86
MULROONEY MATTHEW	$ 5,832.75
HUFF VICKY	$ 20,628.29
JACOBSON-GUNDLOCK T	$ 19,730.06
BUSCH KAREN DAWN	$ 17,866.39
TWEED CHARLOTTE	$ 14,626.21
RICHMOND KAREN	$ 38,761.44
HARAPIAK JACKIE	$ 30,735.70
FRIESEN KRISTA	$ 13,245.91
NEWBY KAREN	$ 11,066.84
DEMONTARNAL SHAWNA	$ 4,418.70
COTE CHERYL	$ 23,426.68
HLADY PAT	$ 30,244.38
SCHAFER MARG	$ 30,215.99
DENNING DARRYL	$ 27,982.24
SHUMILAK MARY	$ 42,808.11
ROSS ELENA	$ 6,073.02
FOSTER JOAN	$ 46,228.87
HEISE ADELE	$ 43,323.18
FEHR SHARON	$ 41,503.25
COOPER LYLA	$ 31,419.36
REDMOND EDNA	$ 33,878.83
HNATIUK MARG	$ 33,845.81
HAYDON BRENDA	$ 32,766.92
CRONAN RON	$ 44,569.29
STEVENSON BONNIE	$ 33,420.47
COLE THERESA	$ 5,694.26
WILSON BRENDA	$ 8,282.58
HEINRICHS LOUISE	$ 48,353.49
OSTAPOWICH PERRY	$ 34,431.62
STEINLEY ADELINE	$ 49,056.15

NAME	TOTAL SALARY
KEHLER LORRAINE	$ 47,858.97
MORSTAD MAUREEN	$ 15,267.57
LEWIS JEAN	$ 28,072.04
LEE DORI	$ 24,612.21
VIGUERAS LINDA	$ 54,299.81
MARKEWICH DAVID	$ 17,225.37
BROUGH GRACE	$ 21,083.98
LAUTSCH STAN	$ 23,569.94
ROBERTS COLLEEN	$ 29,021.18
COTE DONNALINE	$ 3,938.22
OLFERT MARG	$ 5,627.16
WOODS VICKI	$ 3,656.50
FUNK JEFF	$ 27,131.89
BLOHM DOUG	$ 33,720.06
WIEBE JOHN	$ 29,239.34
ANN, PATRICIA	$ 4,175.00
LEVERSON DENISE	$ 2,994.52
WILSON WENDY	$ 3,900.00
NEUFELD MARJORIE	$ 4,671.26
WIGHTMAN LARRY	$ 3,182.90
COULTER SHANNON	$ 3,651.60
DYCK RAMONA	$ 2,686.46
HARVEY LINDA	$ 3,019.20
WOOFF SPENCER	$ 3,100.00
OTHER	$ 85,387.94